

NSC BRIEFING

27 July 1955

INDONESIA

- I. In President Sukarno's absence, Vice President Hatta is conducting discussions with leaders of Indonesia's 20 parliamentary parties and factions *and hopes to appoint a* *by Friday, 29 July.* preliminary to appointing cabinet forateur.
 - A. All cabinet, which resigned 24 July, continues in office as caretaker government.
- II. Formation of new cabinet is complicated by fact it must be acceptable to army.
 - A. Army leaders, who forced cabinet collapse, reportedly told all parties that formation of new cabinet will not in itself solve army crisis. *Simbolon - Sumatra commander*
 - B. Army is expected to press new government for guarantees on army policy--particularly with regard to organization and training, and for thorough understanding on limits of political influence in military establishment.
- III. Hatta and Sukarno are expected to work toward formation of regular parliamentary cabinet despite pressure from former opposition parties--led by Masjumi--for "presidential cabinet" appointed by president and responsible to parliament.
 - A. No clear indication yet who has inside track--Hatta known to be partial to Masjumi, but Sukarno would prefer a representative of some other party *as new premier.*

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IV. Cabinet formation in Indonesia is lengthy procedure.

- A. Formation of last four cabinets required from five to ten weeks.**
- B. With elections close at hand--29 September--sharp bargaining may not seem essential, and matters may be speeded up.**

V. If cabinet negotiations last month or more Indonesia's first national elections may be delayed.

- A. Indonesian government is highly centralized and during period of cabinet formation, all but most routine activity stops.**
- B. Preparations for elections have not been completed.**
- C. Moreover, Ali government, faced with prospect that a new cabinet will be in office at time of elections, will have little incentive for meeting present election deadline.**
- D. Incoming regime will also probably wish to inspect electrical machinery before proceeding.**